

STATEWIDE BENEFITS OFFICE

SPOUSAL COORDINATION OF BENEFITS

FREQUENTLY ASKED QUESTIONS

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The complete Spousal Coordination of Benefits Policy is available at www.ben.omb.delaware.gov/documents/cob.

GENERAL POLICY INFORMATION AND CLAIMS PROCESSING

1. ***How long has the Spousal Coordination of Benefits policy been in effect?***
 - A. The Spousal Coordination of Benefits Policy ("the Policy") was established by the State of Delaware on January 1, 1993, and was revised on July 1, 2011 to include provisions for retired or retiring spouses to enroll in their former employers' health care coverage under certain circumstances.
2. ***What is the purpose of this policy?***
 - A. The policy was established to ensure that employers and former employers share in the cost of providing health care coverage for employed and retired spouses of State of Delaware employees and pensioners.
3. ***What is the Spousal Coordination of Benefits Form and when do I need to complete it?***
 - A. The form is used to determine whether your spouse is eligible for primary coverage under your State of Delaware Health Care Plan in compliance with the Spousal Coordination of Benefits Policy. If you cover a spouse on a State of Delaware Health Care Plan, the Spousal Coordination of Benefits Form is **required** (1) when you initially enroll your spouse; (2) every year during Open Enrollment; and (3) within 30 days of when your spouse has a change in employment or health care coverage.

Spousal Coordination of Benefits Form Process

- If you are an active State employee, you must complete the Spousal Coordination of Benefits Form through Employee Self-Service at <http://employeeselfservice.omb.delaware.gov>.
- If you are a State of Delaware pensioner, Participating Group employee, University of Delaware employee or a COBRA participant, you must complete the Spousal COB form at <http://ben.omb.delaware.gov/documents/cob>.

Please note: If you are a State of Delaware pensioner, the electronic form is still preferred, but pensioners are permitted to complete a paper form available through the Office of Pensions.

4. ***Must spouses who are required to enroll in their employer or former employer health care benefits be dropped from coverage under the State of Delaware Plan?***
 - A. No, you may keep your spouse on your State of Delaware plan with secondary coverage. (See Question #17 if your spouse is enrolling in an employer plan that includes an HSA.)
5. ***What do you mean by primary and secondary coverage?***
 - A. Primary coverage is the benefit plan that will pay first when claims for health care services are submitted. Secondary coverage processes payment, according to its own rules, for claims submitted after the primary coverage pays. For example, if your spouse is enrolled in employer or retiree benefits, those benefits are primary and will pay first; any remaining claim amount will be submitted to your State of Delaware coverage for processing at the secondary level.
6. ***What if my spouse has a deductible on the employer's plan?***
 - A. Generally, your State of Delaware coverage will pay for claims (at the allowable rate, less any applicable copay or coinsurance) that are not covered under the employer plan while your spouse meets the employer plan's deductible requirement.
7. ***What happens if my spouse does not enroll in health care coverage offered through his or her employer or former employer when required?***
 - A. Your spouse's coverage under your State of Delaware plan will be sanctioned and reduced to 20% of the normal coverage. For example, if the State of Delaware plan would normally have paid \$100 for a health care service, only \$20 would be paid for that claim and the employee would be responsible for the remaining \$80. Separately, your spouse would be required to pay the entire cost when filling any prescription and you could then file a paper claim to the State of Delaware pharmacy benefit manager for reimbursement of 20% of the State plan's cost for the prescription less any member copay. For example, if the medication cost is \$120 at the pharmacy, the allowable for this prescription is \$80 and the copay is \$20, you would be reimbursed for 20% of the \$60 covered by the State plan, or \$12.00.
8. ***What if my spouse is employed full-time and is receiving cash in lieu of health care benefits?***
 - A. Your spouse must enroll in an individual health care plan through the Health Insurance Marketplace, if the cash amount is more than 50% of the State's lowest employee only plan premium. When you complete a new Spousal Coordination of Benefits Form, you should indicate in the "Comments" section if your spouse is enrolled in a health care plan or is eligible for a cash benefit in lieu of health care benefits.
9. ***What if my spouse's health care coverage is not very good and is expensive for us?***
 - A. The Policy does not address the level of coverage offered by an employer. As long as your spouse pays 50% or less of the premium for the least expensive, employee-only (or retiree-only) coverage, he or she must enroll and maintain enrollment in that health care coverage.
10. ***If my spouse is self-employed as a sole proprietor and responsible for 100% of the premium for health care coverage, can he or she be covered as primary on my State of Delaware plan?***
 - A. Yes, your spouse may be covered on your State of Delaware plan as primary.

11. ***If my spouse is a partner in a firm, or an owner or part-owner of a corporation or company and the organizations' employees are paying 50% or less than of the premium for the least expensive, employee-only (or retiree-only) coverage, does my spouse have to enroll in the employer coverage?***
A. If your spouse's company pays at least 50% of the premium for health care for all full-time employees other than partners or owners, the Spousal Coordination of Benefits Policy states that your spouse must enroll in their employer/company health insurance. Please see page 2 of the complete policy at <http://ben.omb.delaware.gov/documents/cob/spousal-cob-policy.pdf>.
12. ***If my spouse was not covered on my State of Delaware health care plan, but loses employment or the employer/former employer no longer offers coverage, do I complete the Spousal Coordination of Benefits Form to add my spouse to my coverage?***
A. The form is required, but will not actually add your spouse to coverage. You will need to contact your Human Resources/Benefits Office, or the Office of Pensions, as applicable, to make this enrollment change. Please be sure to include the date your spouse's other coverage ended on the form.
13. ***What if my spouse just started a new job and has a waiting period before qualifying for employer health care coverage?***
A. When you complete a new Spousal Coordination of Benefits Form, you should indicate in the "Comments" section that there is a waiting period, and you should specify when your spouse's coverage will be effective. (For example: "Spouse began new job on July 1, 2016, and has a waiting period. His health care coverage will begin on October 1, 2016.") The Statewide Benefits Office may require verification of this information from the employer and will contact you to provide this documentation if needed.
14. ***What does the form mean by the % my spouse would pay, and how do I get that information?***
A. You need to enter the percentage of the premium that your spouse would pay for the least expensive, employee-only (or retiree-only) plan offered by the employer. The employer's Human Resources Office should be able to provide you with this information. For example, if the employer plan premium is \$500 per month, and your spouse pays \$100 per month, the percentage is 20%. The Statewide Benefits Office may require verification of this information from the employer and will contact you to provide this documentation if needed.
15. ***When would my spouse NOT be required to enroll in employer/former employer health care coverage?***
A. There are several exceptions to the policy that a spouse must enroll in health care coverage through an employer/former employer. The spouse is not required to enroll in employer coverage:
- If the employer does not offer health care benefits to its employees or retirees.
 - If the spouse would pay more than 50% of the premium for the least expensive employee-only or retiree-only health care plan.
 - If the spouse does not work full-time and/or is not eligible for pension health care benefits.
 - If the spouse is self-employed/sole proprietor. (Note: This exception does not apply if the spouse is the owner or a partner of a company that offers benefits to employees and pays at least 50% of the premium for most employees, even if the owner or partner pays 100% of the premium.)
 - If the spouse is actively employed but has retiree health care coverage through a former employer, the spouse is not required to enroll in active employer health care coverage

- If the spouse works outside the State of Delaware and the employer offers only an HMO health care plan with no State of Delaware providers.

**** Please note:** If the employer offers an additional cash benefit in lieu of health care coverage, the additional cash benefit counts as a credit toward purchasing health care coverage. The spouse **must enroll** in the employer health care coverage if the additional cash benefit is equal to 50% or more of the premium for the State's least expensive employee-only coverage.

16. ***What happens if my spouse qualifies for an exception as listed above?***

- A. You may be required to provide verification of the situation from your spouse's employer or former employer. If so, you will receive a letter from the Statewide Benefits Office and will need to submit a letter from your spouse's employer on company letterhead verifying the information you have indicated on your form. The letter must also include a contact name and phone number, and must be submitted within 30 days of the date of the Statewide Benefits Office request.

17. ***What is the high-deductible plan with a Health Savings Account (HSA) referenced on the Spousal Coordination of Benefits Form?***

- A. This is a very specific type of benefit that is covered by IRS regulations. Please click on the link in the form or see the information on the Statewide Benefits website at www.ben.omb.delaware.gov/documents/cob for details.

18. ***If I am a Participating Group employee married to a State of Delaware employee, do I need to enroll in my employer's coverage? Can I have the State coverage as secondary through my spouse?***

- A. When a benefit eligible Participating Group Employee is married to a State of Delaware employee enrolled in the State's Group Health Insurance Program, the spouse must elect coverage through the participating group employer. Neither member can be enrolled in more than one State Group Health Insurance Plan. Both members must enroll in separate coverage with his or her own employer.

Since no member can be enrolled in more than one State of Delaware Group Health Care Plan, your spouse cannot enroll you in State coverage as secondary.

19. ***Does the Spousal Coordination of Benefits Policy also apply to Dental and Vision Coverage?***

- A. No. This policy applies only to health care (medical) coverage, because the State of Delaware pays a significant portion of the premium for your health care (medical) plan. The State does not contribute toward the premium for dental and vision care.

20. ***I am a survivor of a State of Delaware employee/retiree. If I also retired from another employer, am I now required to enroll in that employer's health care coverage?***

- A. As a survivor, you are the principal holder of the health care coverage through the State of Delaware, and you are not required to enroll in other retiree health care coverage, if available.

SPOUSAL COORDINATION OF BENEFITS WHEN SPOUSE RETIRES:

21. ***I am an active state employee, and my spouse is retiring but is under age 65. Must my spouse enroll in the employer's retirement health care coverage even though this coverage will pay as secondary while I am an active employee?***
A. Yes, your spouse must enroll if eligible, providing the employer pays at least 50% of the premium for the least-expensive, retiree-only health care coverage. This coverage will be your spouse's primary coverage, and the State of Delaware coverage will be secondary.
22. ***I am an active state employee, and my spouse is retired and over age 65. Must my spouse enroll in Medicare A and B plus the former employer's Medicare supplement plan if offered?***
A. No. At this time, we do not require your spouse to enroll in Medicare Part B while you are an active employee, and your spouse is not required to enroll in his or her employer's Medicare Supplement plan at this time. However, when you retire, your spouse will be required to enroll in Medicare Parts A and B and is required to enroll in the former employer's Medicare supplement plan, if still eligible at that time.
23. ***If my spouse and I are retired, and my spouse is eligible for Medicare due to age or disability, must my spouse enroll in Medicare Parts A and B?***
A. Yes, enrollment in Medicare Parts A and B is required when a State pensioner or the pensioner's spouse is first eligible based on age or disability and enrollment must be maintained. If Medicare Supplement coverage is available through your spouse's former employer, he or she must enroll in that coverage. Your spouse may also enroll in the Medicare Supplement plan provided by the State through the Office of Pensions.
24. ***If my spouse is retired but is now a benefit eligible State of Delaware employee, must my spouse enroll in his or her former employer's retiree health care plan?***
A. No.
25. ***If I cover my spouse on the State of Delaware's Special Medicfill Medicare Supplement plan, am I required to complete the Spousal Coordination of Benefits Form?***
A. You do not need to complete a Spousal Coordination of Benefits Form unless our spouse's health care coverage has changed since July 1, 2012.
26. ***If my spouse is retired and does not receive any pension benefits, but the former employer offers health care coverage, does my spouse need to enroll in this coverage?***
A. No, the policy states that the retired spouse does not need to enroll in the former employer's health care coverage if not collecting a pension benefit.
27. ***My spouse's former employer offers health care coverage and pays more than 50% of the premium, but the coverage does not include prescription coverage or the prescription coverage is separate from the health care (medical) coverage, and the company pays less than 50% of the prescription coverage premium. Does my spouse need to enroll in the prescription coverage?***
A. No, you do not need to enroll in the separate prescription coverage. You must indicate on the Spousal Coordination of Benefits Form that the health care coverage does not include prescription coverage. In this situation, the State of Delaware health care coverage (medical) will be secondary for the spouse and the State of Delaware prescription benefit coverage will be primary for the spouse.

28. *If my spouse is required to enroll in a former employer's health care coverage now or during an annual open enrollment period that does not coincide with the State's annual enrollment period (for example in November for a plan year effective date of January 1st), can I drop my spouse from my State of Delaware coverage?*
- A. Yes, this is allowable under Section 4.07(e), (1, iii) of the Group Health Insurance Plan Eligibility and Enrollment Rules.
29. *What happens now for spouses who previously declined or terminated health care benefits from their former employers, and the former employers now say that these retirees can only enroll in benefits if they are losing eligibility for their other coverage?*
- A. **For spouses who retired before October 1, 2011** and declined or terminated enrollment in their former employer's health benefits before October 1, 2011: If their former employer will not permit them to enroll now, or at their next annual enrollment period, unless they lose eligibility for the State of Delaware's health care coverage, no action is needed and current coverage through the State Group Health Program will not be sanctioned. The policy does not mean that these spouses are no longer eligible for coverage or that they will be terminated under the State Group Health Insurance Program. Spouses should obtain verification from the former employer that they cannot enroll without loss of eligibility, and they should keep this verification on file. The employee or retiree providing coverage for the spouse through the State Group Health Insurance Program will continue to be required to complete a Spousal Coordination of Benefits form each year during open enrollment and must indicate on the form that the spouse's former employer does not permit enrollment unless there is a loss of eligibility. **Spouses who retired after October 1, 2011 are required to enroll in their employers' retirement health care coverage when they are first eligible, provided the employer pays at least 50% of the premium.**
30. *My spouse's former employer has elected to outsource Medicare retiree benefits to Extend Health, or another vendor. The employer will no longer cover my spouse directly, but provides a set amount per year toward enrolling in coverage through Extend Health. Is my spouse required to enroll in this medical and prescription coverage, since it is no longer provided directly from the former employer?*
- A. Unless the amount provided by your former employer covers less than 50% of the cost of the least expensive health care premium available for your spouse only, he or she must enroll in medical coverage. However, your spouse is not required to enroll in prescription coverage through the employer.
31. *What if my spouse is retired and is receiving cash in lieu of retiree health care benefits?*
- A. Your spouse must enroll in an individual health care plan through the Health Insurance Marketplace, if the cash amount is more than 50% of the State's lowest employee only plan premium. When you complete a new Spousal Coordination of Benefits Form, you should indicate in the "Comments" section if your spouse is enrolled in a health care plan or is eligible for a cash benefit in lieu of retiree health care benefits.

QUESTIONS REGARDING THE AFFORDABLE CARE ACT AND THE STATE'S SPOUSAL COORDINATION OF BENEFITS POLICY

32. ***I cover my spouse under the State's Group Health Insurance Program as secondary as he has employer health care coverage. His employer has directed its employees to the Small Business Health Options Program (SHOP). What is Small Business Health Options Program (SHOP)?***
A. SHOP is group coverage available through the Marketplace and currently offered to small businesses with fewer than 25 full-time employees and the average annual wages of the employees are less than \$50,000.
33. ***Is my spouse required to enroll in his/her employer's health care plan through the SHOP or can they be covered under the State's Group Health Insurance Program?***
A. Yes, your spouse is required to enroll through the SHOP unless the share of the premium for the lowest priced health care plan offered is more than 50% of the total cost of the coverage. You can also cover your spouse through the State's health care plan, however the state's plan will pay as secondary. If your spouse is required to pay more than 50% of the total cost of the lowest plan offered, your spouse can choose to not enroll in the SHOP and enroll in health care coverage through you and your spouse will be covered as primary. Enrollment must be completed within 30 days of your spouse's loss of employer coverage.
34. ***If my spouse has health care coverage through the SHOP, what if anything do I need to do?***
A. Coverage in SHOP constitutes employer coverage and if you are covering your spouse under the State's Group Health Insurance Program, you need to complete an updated Spousal Coordination of Benefits form.
35. ***I cover my spouse under the State's Group Health Insurance Program as secondary as he had employer health care coverage. His employer is dropping health care coverage entirely. Can my spouse now be covered as primary under the State's Group Health Insurance Program?***
A. Yes, if your spouse's employer is dropping health care coverage entirely, please complete an updated Spousal Coordination of Benefits Form within 30 days of the loss of employer coverage indicating the date your spouse lost coverage in order to update your spouse's State coverage from secondary to primary.
36. ***I currently do not cover my spouse under the State's Group Health Insurance Program as he had employer health care coverage. His employer is dropping health care coverage entirely. Can my spouse now be enrolled in the State's Group Health Insurance Program?***
A. Yes, if your spouse's employer is dropping health care coverage entirely, please contact your HR/Benefits representative within 30 days of the loss of coverage if you wish to enroll your spouse in the State's Group Health Insurance Program. You must also complete a Spousal Coordination of Benefits Form upon enrolling your spouse in a State of Delaware health care plan.

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